

FILED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

JUN 29 2000

PEGGY B. DEANS, CLERK
U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF N.C.

IN RE:)
)
INTERNATIONAL HERITAGE, INC.) CASE NO. 98-02675-5-ATS
) CHAPTER 7
INTERNATIONAL HERITAGE,) CASE NO. 98-02674-5-ATS
INCORPORATED,) CHAPTER 7
)
Debtor.)

**DESIGNATION OF ITEMS TO BE INCLUDED
IN RECORD ON APPEAL AND STATEMENT OF ISSUES**

NOW COME John Brothers and Dee Brothers, and pursuant to Rule 8006 of the Bankruptcy Rules, provide the following Designation of Items to be included in the Record on Appeal and Statement of Issues:

Designation of Items to be Included in Record of Appeal

1. Trustee's Motion for Approval of Compromise and Settlement;
2. Order Allowing Motion for Approval of Compromise and Settlement;
3. Memorandum of Law in Opposition to Trustee's Motion for Approval of Compromise and Settlement; and
4. Transcript of Hearing of May 31, 2000, before the Honorable A. Thomas Small.

STATEMENT OF ISSUES

1. Whether the Bankruptcy Court erred by entering the Order Allowing Motion for Approval of Compromise and Settlement and allowing the Trustee to waive the Debtors' attorney-client privilege?

2. Whether the Bankruptcy Court violated the Fifth and/or Sixth Amendments of the United States Constitution by entering the Order Allowing Motion for Approval of Compromise and Settlement and allowing the Trustee to waive the Debtors' attorney-client privilege?

This the 29th day of June, 2000.

McMILLAN, SMITH & PLYLER



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CERTIFICATE OF SERVICE

I, Stephen T. Smith, attorney for John Brothers and Dee Brothers, certify that I served the foregoing document on the 29th day June, 2000, upon the following parties, and in the manner below specified, by placing a copy thereof for each such party(ies) in a separate envelope bearing sufficient postage and depositing the same in the United States mail at Raleigh, North Carolina and/or by facsimile:

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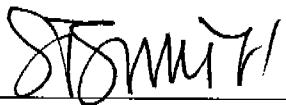
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This the 29th day of June, 2000.



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